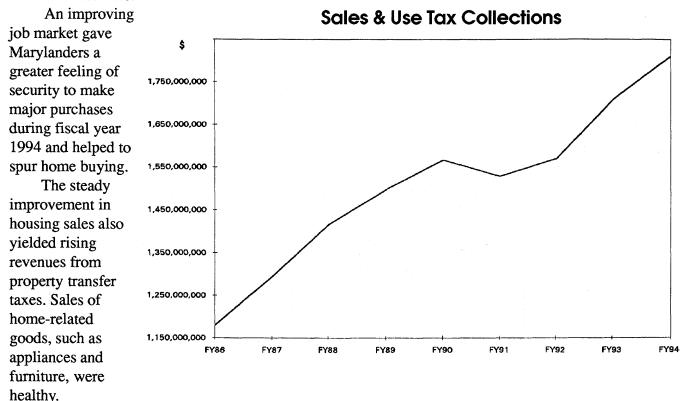


Year of Recovery

The rise in sales and use tax revenue - Maryland's second largest source of general fund revenue - was broad-based, covering every category and fueled by consumer confidence and lower interest rates.



Gains in the capital goods sector reflected improved corporate profits and the resulting investment in equipment and facilities, especially in the telecommunications industry.

The improved economy also generated a strong showing for franchise tax receipts from financial institutions and gross receipts taxes paid by public utilities.